

SOUTHEAST KANSAS LIBRARY SYSTEM

Iola, Kansas

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2014

SOUTHEAST KANSAS LIBRARY SYSTEM

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southeast Kansas Library System
Iola, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Southeast Kansas Library System, Iola, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the Southeast Kansas Library System to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Southeast Kansas Library System as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Southeast Kansas Library System as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1, and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated July 20, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
July 20, 2015

SOUTHEAST KANSAS LIBRARY SYSTEM

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
Government Type Funds		
General Fund	\$ 176,228	\$ 0
Special Purpose Funds		
Employee Benefit Fund	7,577	0
State Aid	0	0
Capital Improvements	37,025	0
Talking Book Outreach Grant	17,209	0
LSTA Grant	0	0
Apple Grant	6,331	0
KS EZ Library	139	0
Computer Grant	0	0
Total Reporting Entity	\$ 244,509	\$ 0

The accompanying notes are an integral part of this statement.

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 1,358,246	\$ 1,354,169	\$ 180,305	\$ 1,421	\$ 181,726
100,374	96,488	11,463	0	11,463
63,333	63,333	0	0	0
25,004	20,675	41,354	0	41,354
2,158	2,128	17,239	0	17,239
1,665	1,665	0	0	0
10,000	14,293	2,038	0	2,038
6,630	6,613	156	0	156
40,000	40,000	0	0	0
<u>\$ 1,607,410</u>	<u>\$ 1,599,364</u>	<u>\$ 252,555</u>	<u>\$ 1,421</u>	<u>\$ 253,977</u>

Composition of Cash - Great Southern Bank

Checking Account	\$ 212,623
Checking Account - Capital Improvements	<u>41,354</u>

Total Cash \$ 253,977

SOUTHEAST KANSAS LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE A. MUNICIPAL REPORTING ENTITY

The Southeast Kansas Library System is a municipality operating within the State of Kansas. The entity receives local, state and federal aid, and then distributes both monies and material to various member libraries in Kansas. These financial statements reflect the Southeast Kansas Library System (primary government). The System's financial statements include all funds over which the Board exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters. There are no related municipal entities to the Southeast Kansas Library System. The member libraries are independent libraries with independent boards.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the System are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The System potentially could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. The System did not have any funds under this category for the current year.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The System did not have any funds under this category for the current year.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). The System did not have any funds under this category for the current year.

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The System did not have any funds under this category for the current year.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county tax collection accounts, etc.). The System did not have any funds under this category for the current year.

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

SOUTHEAST KANSAS LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE C. BASIS OF ACCOUNTING - continued

Southeast Kansas Library System has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary finds, permanent funds, and the following special purpose funds::

LSTA Grant
Computer Grant

Apple Grant
KS EZ Library

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

SOUTHEAST KANSAS LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE E. CASH AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the System. The statute requires banks eligible to hold the System's funds have a main or branch bank in the county in which the System is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The System has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the System's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The System has no investment policy that would further limit its investment choices. The System's rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the System may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The System has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. State statutes require the System's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

At December 31, 2014, the carrying amount of the System's bank deposits was \$253,977 and the bank balance was \$306,175. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance and \$56,175 was covered by securities pledged by the bank.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The System had no such investments at year end.

NOTE F. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From:</u>	<u>To:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Operating Fund	Capital Improvement Fund	12-118	\$ 25,000

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the System makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the System under this program

Compensated Absences: Full time employees are eligible for vacation and /or sick leave benefits in varying annual amounts depending on position and length of service.

The System's policy is to record vacation and sick leave expense when paid.

SOUTHEAST KANSAS LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS- continued

There is no accrual for vacation or sick leave in these financial statements. The amounts if accrued for vacation and sick leave would be immaterial.

Operating Leases with Related Party: The System leases building space form the Iola Public Library. Through the calendar year 2014 the rent is \$10,000 per year plus utilities, janitorial care, lawn care, trash, insurance and maintenance based on the percentage of the facility used by the System. This lease is renewed each year. The resulting combined rental expense for 2014 was \$17,800 plus \$8,217 for the other expenses listed above.

NOTE H. DEFINED BENEFIT PENSION PLAN

Plan description - The Southeast Kansas Library System participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The employer rate established for calendar year 2014 was 8.84%.

Net Pension Liability - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Municipality's proportionate share of the net pension liability as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE I. RISK MANAGEMENT

The System is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the System carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE J. OTHER INFORMATION

Ad Valorem Tax Revenue: The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the System by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the System by June 5. The System draws available funds from the County Treasurer's office at designated times throughout the year.

SOUTHEAST KANSAS LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE J. OTHER INFORMATION- continued

Reimbursed Expenses: The System records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

Management is not aware of any non-compliance issues.

The Southeast Kansas Library System adopts a budget that combines General and State Aid in one fund. However, for financial statement purposes they are shown separately. Budget and actual are listed below for reference only.

Adopted Budget	Budget Credits	Total Budget
\$1,479,471	\$0	\$1,479,471

General Actual Expenditures	State Aid Actual Expenditures	Talking Book Outreach Grant	Total Actual Expenditures
\$1,354,169	\$63,333	22,628	\$1,440,130

Grant Programs: The System receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the System. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the System at December 31, 2014.

Use of restricted versus unrestricted unencumbered cash and receipts: The System uses restricted unencumbered cash and receipts first when both restricted and unrestricted unencumbered cash or receipts are available.

NOTE K. SUBSEQUENT EVENTS

Subsequent Events: The System evaluated subsequent events through July 20, 2015, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2014

<u>Fund</u>	<u>Certified Budget</u>		<u>Adjustment for Qualifying Budget Credit</u>		<u>Total Budget for Comparison</u>		<u>Expenditures Chargeable to Current Year</u>		<u>Variance - Over (Under)</u>
General Fund	\$ 1,395,611	*	\$ 0	\$	1,395,611	\$	1,354,169	*	\$ (41,442)
Special Purpose Funds									
Employee Benefit Fund	99,413		0		99,413		96,489		(2,924)
State Aid	63,360	*	0		63,360		63,333	*	(27)
Capital Improvements	25,000		0		25,000		20,675		(4,325)
Talking Book Outreach	20,500	*	2,128		22,628		22,628	*	0

* These funds are combined for purposes of the published budget but are shown separate for reporting purposes.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2a

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance- Over (Under)
	2013 Actual	Actual	Budget*	
Cash receipts				
Tax receipts	\$ 1,379,575	\$ 1,343,807	\$ 1,314,972	\$ 28,835
State aid and other receipts	50,266	253	400	(147)
Interest	136	0	300	(300)
Material Replacement Grant	4,000	4,000	4,000	0
Contract	9,591	10,186	10,186	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	1,443,568	1,358,246	\$ 1,329,858	\$ 28,388
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Academic/school service grants	4,405	8,069	6,000	2,069
Accounting & audit	14,288	13,614	14,000	(386)
Automation/Catalog	39,528	21,113	32,000	(10,887)
Computer software & services	10,731	(1,172)	7,000	(8,172)
Salaries	539,783	543,281	545,159	(1,878)
System books & other materials	21,572	24,284	33,240	(8,956)
Miscellaneous	5,562	6,912	9,500	(2,588)
Book insurance	8,773	8,809	8,210	599
Employee benefits- KPERS	146	0	0	0
Employee insurance	106,558	114,606	116,315	(1,709)
Employee benefits - unemployment	520	531	563	(32)
Employee benefits - workmen's comp	2,253	1,443	2,253	(810)
Legal service	0	0	300	(300)
Online computer library center	6,000	5,000	8,000	(3,000)
Supplies	7,911	5,354	6,000	(646)
Postage & communications	(506)	(242)	1,000	(1,242)
Vehicle expense	13,999	10,069	16,000	(5,931)
Travel - administrative	17,102	18,716	15,000	3,716
Telephone	311	(281)	1,000	(1,281)
Courier	1,850	2,575	2,575	0
Building rent	17,800	17,800	17,800	0
Equipment lease & maintenance	4,147	5,017	5,000	17
Building and ground payments	7,634	8,217	8,200	17
Service development	27,930	59,025	68,000	(8,975)
Continuing education	3,909	3,424	4,500	(1,076)
Equipment replacement	18,685	6,830	8,000	(1,170)
Member libraries	419,574	375,484	376,496	(1,012)
Competitive grants	29,650	34,654	40,000	(5,346)
Programming grants	1,025	900	1,000	(100)
Material delivery grants	20,570	30,253	26,500	3,753

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget*</u>	<u>Variance- Over (Under)</u>
	<u>Actual</u>			
Expenditure - continues				
Material replacement distributions	4,380	4,884	4,000	884
Transfer to Capital Improvements	<u>0</u>	<u>25,000</u>	<u>12,000</u>	<u>13,000</u>
Total expenditures	<u>1,356,090</u>	<u>1,354,169</u>	\$ <u>1,395,611</u>	\$ <u>(41,442)</u>
Receipts over (under) expenditures	87,478	4,077	* See NOTE J	
Unencumbered cash, beginning	<u>88,750</u>	<u>176,228</u>		
Unencumbered cash, ending	\$ <u><u>176,228</u></u>	\$ <u><u>180,305</u></u>		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2b

SPECIAL PURPOSE FUNDS

EMPLOYEE BENEFIT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance-</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Tax receipts	\$ 92,815	\$ 100,374	\$ 100,957	\$ (583)
Interest	<u>9</u>	<u>0</u>	<u>20</u>	<u>(20)</u>
Total receipts	<u>92,824</u>	<u>100,374</u>	<u>\$ 100,977</u>	<u>\$ (603)</u>
Expenditures				
Employer's contribution to KPERS	47,108	53,292	\$ 54,848	\$ (1,556)
Payroll taxes	<u>43,065</u>	<u>43,196</u>	<u>44,565</u>	<u>(1,369)</u>
Total expenditures	<u>90,173</u>	<u>96,488</u>	<u>\$ 99,413</u>	<u>\$ (2,925)</u>
Receipts over (under) expenditures	2,651	3,886		
Unencumbered cash, beginning	<u>4,926</u>	<u>7,577</u>		
Unencumbered cash, ending	\$ <u>7,577</u>	\$ <u>11,463</u>		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2c

SPECIAL PURPOSE FUNDS STATE AID FUND SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS For the Year Ended December 31, 2014 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance- Over (Under)
	2013 Actual	Actual	Budget*	
Cash receipts				
State of Kansas	\$ 70,475	\$ 63,333	\$ 63,300	\$ 33
Total receipts	<u>70,475</u>	<u>63,333</u>	<u>63,300</u>	<u>33</u>
Expenditures				
Books	35,780	38,160	\$ 36,360	\$ 1,800
Film, filmstrips & videos	1,481	2,207	0	2,207
Computer software & services	331	475	0	475
Communications & postage	5,000	4,000	5,000	(1,000)
Telephone	2,305	767	0	767
Supplies	8,467	10,971	10,000	971
Miscellaneous	0	36	0	36
Equipment replacement	<u>17,111</u>	<u>6,717</u>	<u>12,000</u>	<u>(5,283)</u>
Total expenditures	<u>70,475</u>	<u>63,333</u>	<u>\$ 63,360</u>	<u>\$ (27)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, beginning	<u>0</u>	<u>0</u>		
Unencumbered cash, ending	<u>\$ 0</u>	<u>\$ 0</u>		

* See NOTE J

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2d

SPECIAL PURPOSE FUNDS
CAPITAL IMPROVEMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance-
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Interest	\$ 14	\$ 4	\$ 50	\$ (46)
Transfer from operating	<u>0</u>	<u>25,000</u>	<u>4,000</u>	<u>21,000</u>
Total receipts	<u>14</u>	<u>25,004</u>	<u>\$ 4,050</u>	<u>\$ 20,954</u>
Expenditures				
Vehicle	<u>16,200</u>	<u>20,675</u>	\$ 25,000	\$ (4,325)
Total expenditures	<u>16,200</u>	<u>20,675</u>	<u>\$ 25,000</u>	<u>\$ (4,325)</u>
Receipts over (under) expenditures	(16,186)	4,329		
Unencumbered cash, beginning	<u>53,211</u>	<u>37,025</u>		
Unencumbered cash, ending	\$ <u>37,025</u>	\$ <u>41,354</u>		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2e

SPECIAL PURPOSE FUNDS
TALKING BOOK OUTREACH GRANT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2014
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance-
	Actual	Actual	Budget*	Over
				(Under)
Cash receipts				
Registration Fees	\$ 22,658	\$ 22,658	\$ 20,500	\$ 2,158
Total receipts	<u>22,658</u>	<u>22,658</u>	<u>\$ 20,500</u>	<u>\$ 2,158</u>
Expenditures				
Salaries	23,156	21,375	20,500	875
Service development	501	27	0	27
Travel	303	51	0	51
Misc	712	248	0	248
Vehicle expense	0	927	0	927
Legal fund budget & expenditures	<u>24,672</u>	<u>22,628</u>	<u>20,500</u>	<u>2,128</u>
Adjustments for qualifying budget credits	<u>0</u>	<u>0</u>	<u>2,128</u>	<u>(2,128)</u>
Total expenditures	<u>24,672</u>	<u>22,628</u>	<u>\$ 22,628</u>	<u>\$ 0</u>
Receipts over (under) expenditures	(2,014)	30		
Unencumbered cash, beginning	<u>19,223</u>	<u>17,209</u>		
Unencumbered cash, ending	\$ <u>17,209</u>	\$ <u>17,239</u>		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEMSchedule 2f**SPECIAL PURPOSE FUNDS****LSTA GRANT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts		
LSTA Grant	\$ 4,688	\$ 1,665
Total receipts	<u>4,688</u>	<u>1,665</u>
Expenditures		
Equipment	388	427
License fees	3,149	350
Supplies	<u>1,151</u>	<u>888</u>
Total expenditures	<u>4,688</u>	<u>1,665</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning	<u>0</u>	<u>0</u>
Unencumbered cash, ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEMSchedule 2g**SPECIAL PURPOSE FUNDS****APPLE GRANT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts		
Tuition	\$ 12,056	\$ 10,000
Total receipts	<u>12,056</u>	<u>10,000</u>
Expenditures		
Scholarships	625	575
Food	359	797
Supplies	52	10
Presenter Costs	5,020	4,239
Facilities	3,719	4,280
Miscellaneous	<u>0</u>	<u>4,392</u>
Total expenditures	<u>9,775</u>	<u>14,293</u>
Receipts over (under) expenditures	2,281	(4,293)
Unencumbered cash, beginning	<u>4,050</u>	<u>6,331</u>
Unencumbered cash, ending	<u>\$ 6,331</u>	<u>\$ 2,038</u>

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEMSchedule 2h**SPECIAL PURPOSE FUNDS****KS EZ LIBRARY FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts		
EZ Library Receipts	\$ 7,800	\$ 6,630
Total receipts	7,800	6,630
Expenditures		
eBooks	6,423	3,009
Downloadable Audio	6,407	3,604
Total expenditures	12,830	6,613
Receipts over (under) expenditures	(5,030)	17
Unencumbered cash, beginning	5,169	139
Unencumbered cash, ending	\$ 139	\$ 156

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEMSchedule 2i**SPECIAL PURPOSE FUNDS****COMPUTER GRANT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts		
State of Kansas	\$ 0	\$ 40,000
Total receipts	0	40,000
Expenditures		
Broadband grants	0	180
Computer grants	0	39,820
Total expenditures	0	40,000
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning	0	0
Unencumbered cash, ending	\$ 0	\$ 0

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